MIKE KREIDLER STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON





OFFICE OF INSURANCE COMMISSIONER

In the Matter of) No. D 06 -111
HOUSTON GENERAL INSURANCE COMPANY, An Authorized Insurer,) ORDER SUSPENDING) CERTIFICATE OF AUTHORITY)

To: Todd Abalo, Counsel One Beacon Insurance One Beacon Street

Boston, Massachusetts 02108-3100

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that pursuant to RCW 48.05.140(1) Washington State Certificate of Authority Number 1287, issued to Houston General Insurance Company, is SUSPENDED, effective March 16, 2006, until further notice of the Insurance Commissioner, or for a period of one (1) year, whichever comes first.

THIS ORDER IS BASED ON THE FOLLOWING:

Houston General Insurance Company violated Revised Code of Washington § 48.05.250 by failing to file its year 2004 Statement of Actuarial Opinion, a required component of its Annual Statement, by the statutory due date of February 28, 2005.

Houston General Insurance Company violated the following regulations and provisions of the insurance code: failure to timely file a calendar year 2004 Statement of Actuarial Opinion constitutes a violation of RCW 48.05.250(1) and WAC 284-07-060(2).

NOTICE CONCERNING YOUR RIGHT TO A HEARING. If you are aggrieved by this Order, RCW 48.04.010 permits you to demand a hearing. Pursuant to that statute and others: You must demand a hearing, in writing, within 90 days after the date of this Order, which is the day it was mailed to you, or you will waive your right to a hearing. Your demand for a hearing must specify briefly the reasons why you think this Order should be changed. Upon receipt of your demand for hearing, you will be contacted by an assistant of the Chief Hearing Officer to schedule a teleconference with you and the Insurance Commissioner's Office to discuss the hearing and the procedures to be followed.

Please send any demand for hearing to Insurance Commissioner, attention James T.

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ORDER SUSPENDING CERTIFICATE OF AUTHORITY No. D 06-111 Page 2

Odiorne, Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40259, Olympia, WA 98504-0259.

ENTERED AT TUMWATER, WASHINGTON, this 26 day of March, 2006.

MIKE KREIDLER

Insurance Commissioner

JAMES T. ODIORNE

Deputy Insurance Commissioner Company Supervision Division